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E.O. 12958: DECL: 07/12/2017 TAGS: <u>KWBG PBTS PREL PHUM IS</u>

SUBJECT: GUSH ETZION LEADERSHIP: ANNAPOLIS "INSANE"

Classified By: Acting Principal Officer Tom Duffy, per reasons 1.4 (b) and (d)

11. (C) SUMMARY: Gush Etzion Regional Council chairman Shaul Goldstein told PolOff November 28 that USG efforts toward a two-state solution are "insane" and will result only in increased terrorism. He blamed PM Olmert and DefMin Barak for the language in President Bush's speech on settlement growth and illegal outposts. Goldstein says he will comply with the law on outposts, but settlers will only move from them if there is alternative housing. END SUMMARY

Annapolis

12. (C) Gush Etzion Regional Council chairman Shaul Goldstein told PolOff 28 November that USG initiatives for a two-state solution are "insane" and will lead only to a failed terrorist state committed to destroying Israel. Noting that the GOI had erred in its treatment of West Bank Palestinians and "should have given them phone lines and clean water" a long time ago, Goldstein said a poor economy, surging population, corruption, and religious extremism, would undermine any future Palestinian state and encourage the effort to destroy Israel. He said he "would bet any amount of money" that PM Olmert and DefMin Barak had insisted on the language on settlement expansion and illegal outposts in President Bush's speech at Annapolis, so they can blame the USG when they take actions opposed by the settlers. "Believe me," he said, "American doesn't care about a few trailers on a hilltop." But, he said "by applying pressure on the outposts and settlements, America will make great enemies of the settlers." and will provoke a "civil war" between Jews. He added "you can't stop the growth of settlements - it's impossible."

Outpost Removal

- 13. (C) There is at least one outpost (Maale Rehavam) in Gush Etzion that is believed to be on the GOI list of outposts to be removed. Goldstein complained that "the government encouraged us to build them and now they want to evict people," and insisted that not one settler should live on illegal land. He claimed that if outpost residents see replacement homes being built they will move immediately.
- ¶4. (C) Goldstein told PolOff that disputes among settler leaders about how to respond to the GOI evacuation of the Gaza settlements in 2005 created a rift that persists. He was the Yesha Council Deputy at the time and recalled to PolOff that the Yesha decided not to oppose the GOI while some of the settlers' Rabbis urged IDF soldiers to disobey orders to remove settlers. He said the Yesha Council lost its credibility after Gush Katif, suggesting that the Yesha

may not be able to deliver the settlers in any negotiations with the ${\tt GOI}$ on outposts and/or settlements.

Note: Gush Etzion

¶5. (C) Gush Etzion has a population of 60,000 in 14 settlements spread out over 1 million acres. According to Goldstein, it has more doctors per capita than anywhere in Israel. An empty plot of land in Gush Etzion sells for USD 250,000 and homes can cost in excess of USD 1 million. After the 1967 war, Gush Etzion was the first site that Israelis moved to in the West Bank, and today many moderate, secular Israelis do not think of Gush Etzion as a settlement. DUFFY